

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6464**

**BILL NUMBER: SB 361**

**NOTE PREPARED: Jan 6, 2008**

**BILL AMENDED:**

**SUBJECT:** Treasurer of State.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that an individual elected Treasurer of State takes office January 1 following the individual's election.

The bill also provides that the individual elected Treasurer of State at the 2006 election vests as a member of PERF if the individual is reelected as Treasurer of State at the 2010 election and serves in office until January 1, 2015.

The bill establishes 65 years of age with at least 8 years of creditable service as the normal retirement age for a state officer to whom Article 6, Section 1, of the Constitution of the State of Indiana applies.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** As an example, if a state officer to whom Article 6, Section 1, of the Constitution of the State of Indiana applies were age 50 with 8 years of creditable service with an average salary of \$66,000 at the end of the individual's terms of office, and assuming the individual would not earn any additional creditable service, the proposed legislation would provide an accrued PERF monthly benefit of \$484 payable at age 65.

The actuarial present value of this monthly benefit would be \$21,250. Therefore, there would be an estimated fiscal impact of \$21,250 for every state officer who would be eligible for an accrued benefit under this proposed legislation. The fund affected is the state General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Public Employees' Retirement Fund; State officer to whom Article 6, Section 1, of the Constitution of the State of Indiana applies.

**Local Agencies Affected:**

**Information Sources:** Doug Todd of McCready & Keane, Inc., actuaries for PERF, 317-576-1508.

**Fiscal Analyst:** James Sperlik, 317-232-9866.

**DEFINITIONS**

**Present Value-** The present value (sometimes called actuarial present value) of an amount or series of amounts payable or receivable in the future is their current worth after discounting each such amount at an assumed rate of interest and adjusting for the probability of its payment or receipt.